

**MOR-1**

CASE NAME: Inland Environmental & Remediation, Inc.  
CASE NUMBER: 16-34624-H4-11

**UNITED STATES BANKRUPTCY COURT**

PETITION DATE: 9/14/2016  
DISTRICT OF TEXAS: Southern and Western Districts  
DIVISION: Houston

<b>MONTHLY OPERATING REPORT SUMMARY FOR MONTH</b>			<b>November</b>	<b>YEAR</b>
<b>REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE</b>	<b>EXP. DATE</b>			<b>30/16</b>
CASUALTY	YES (x) NO ( )	3/22/2017	Are all funds received being deposited into DIP bank accounts?	Yes
LIABILITY	YES (x) NO ( )	3/22/2017	Were any assets disposed of outside the normal course of business?	No
VEHICLE	YES (x) NO ( )	8/19/2017	If so, describe _____	
WORKER'S OTHER	YES (x) NO ( )	_____	Are all U.S. Trustee Quarterly Fee Payments current?	Yes
			What is the status of your Plan of Reorganization?	_____

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

ATTORNEY NAME:	<u>Richard Fuqua</u>	Are all accounts receivable being collected within terms?	No
FIRM NAME:	<u>Fuqua and Associates</u>	Have any pre-petition liabilities been paid?	Yes
ADDRESS:	<u>5005 Riveway, Suite 250</u>	If so, describe _____	
CITY, STATE, ZIP:	<u>Houston, TX 77056</u>	Are all funds received being deposited into DIP bank accounts?	Yes
TELEPHONE/FAX:	<u>713-960-0277</u>	Were any assets disposed of outside the normal course of business?	No

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED: David Polston TITLE: President, CEO  
(PRINT NAME OF SIGNATORY)  
DATE: 2/03/17

**MOR-1**

President / CEO

CASE NAME: Inland Environmental & Remediation, Inc.  
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### COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/14/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016	1/31/2017	2/28/2017
<b>CURRENT ASSETS</b>							
Cash		2,701.91	0.00	0.00	28,048.02		
Accounts Receivable, Net		405,204.30	457,131.46	331,941.31	186,194.65		
Inventory: Lower of Cost or Market		112,000.00	112,000.00	112,000.00	112,000.00		
Prepaid Expenses							
Investments							
Other							
<b>TOTAL CURRENT ASSETS</b>		519,906.21	569,131.46	443,941.31	326,242.67	0.00	0.00
<b>PROPERTY, PLANT &amp; EQUIP. @ COST</b>		1,546,256.00	1,546,256.00	1,546,256.00	1,546,256.00		
Less Accumulated Depreciation							
NET BOOK VALUE OF PP & E		1,546,256.00	1,546,256.00	1,546,256.00	1,546,256.00	0.00	0.00
<b>OTHER ASSETS</b>							
1. Tax Deposits							
2. Investments in Subsidiaries							
3. Leasehold Improvements		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00		
4. See Below*		2.00	2.00	2.00	2.00		
<b>TOTAL ASSETS</b>		\$3,066,164.21	\$3,115,387.46	\$2,990,199.31	\$2,872,498.67	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

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### COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH September	MONTH October	MONTH November	MONTH	MONTH	MONTH
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)							
PRE-PETITION LIABILITIES							
Notes Payable - Secured		3,024,236.07	3,024,236.07	3,024,236.07	3,024,236.07		
Priority Debt		1,414,374.98	1,414,374.98	1,414,374.98	1,414,374.98		
Federal Income Tax		7,007.66	7,007.66	7,007.66	7,007.66		
FICA Withholding							
Unsecured Debt		8,449,269.44	8,449,269.44	8,449,269.44	8,449,269.44		
Other							
TOTAL PRE-PETITION LIABILITIES					0.00	0.00	0.00
TOTAL LIABILITIES		9,870,652.08	9,870,652.08	9,870,652.08	9,870,652.08	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL		67,154.87	67,154.87	67,154.87	67,154.87		
RETAINED EARNINGS: Filing Date							
RETAINED EARNINGS: Post Filing Date							
TOTAL OWNER'S EQUITY (NET WORTH)		(\$6,804,487.87)	(\$6,755,264.62)	(\$6,880,452.77)	(\$6,998,153.41)	0.00	0.00
TOTAL LIABILITIES & OWNERS EQUITY		\$3,066,164.21	\$3,115,387.46	\$2,990,199.31	\$2,872,498.67	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

CASE NAME: Inland Environmental & Remediation, Inc.  
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### SCHEDULE OF POST-PETITION LIABILITIES

	MONTH Sept	MONTH Oct	MONTH Nov	MONTH	MONTH	MONTH
<i>TRADE ACCOUNTS PAYABLE</i>						
TAX PAYABLE						
Federal Payroll Taxes		0.00	0.00	0.00		
State Payroll Taxes		0.00	0.00	0.00		
Ad Valorem Taxes		0.00	0.00	0.00		
Other Taxes		0.00	0.00	0.00		
TOTAL TAXES PAYABLE		0.00	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION		0.00	0.00	0.00		
ACCRUED INTEREST PAYABLE		0.00	0.00	0.00		
ACCRUED PROFESSIONAL FEES*		0.00	0.00	0.00		
OTHER ACCRUED LIABILITIES						
1.		0.00	0.00	0.00		
2.		0.00	0.00	0.00		
3.		0.00	0.00	0.00		
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\*Payment requires Court Approval

MOR-4

CASE NAME: Inland Environmental & Remediation, Inc.  
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AGING OF POST-PETITION LIABILITIES  
MONTH November

MONTH	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30						
31-60						
61-90						
91+						
<b>TOTAL</b>	<b>\$0.00</b>			<b>\$0.00</b>		<b>\$0.00</b>

## AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
<b>TOTAL</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>

MOR-5

CASE NAME: Inland Environmental & Remediation, Inc.  
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### STATEMENT OF INCOME (LOSS)

	MONTH Sept	MONTH Oct	MONTH Nov	MONTH	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)	18,746.97	0.00	0.00				18,746.97
TOTAL COST OF REVENUES							0.00
GROSS PROFIT	18,746.97	0.00	0.00	0.00	0.00	0.00	18,746.97
OPERATING EXPENSES:							0.00
Selling & Marketing							0.00
General & Administrative							0.00
Insiders Compensation							0.00
Professional Fees							0.00
Other							0.00
Other							0.00
TOTAL OPERATING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT. DEPR/TAX (MOR-1)	18,746.97	0.00	0.00	0.00	0.00	0.00	18,746.97
INTEREST EXPENSE							0.00
DEPRECIATION							0.00
OTHER (INCOME) EXPENSE*							0.00
OTHER ITEMS**							0.00
TOTAL INT. DEPR & OTHER ITEMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE TAXES	18,746.97	0.00	0.00	0.00	0.00	0.00	18,746.97
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	\$18,746.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,746.97

*Accrued Accounting Required. Otherwise Footnote with Explanation.*

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

CASE NAME: Inland Environmental & Remediation, Inc.  
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CASH RECEIPTS AND DISBURSEMENTS	MONTH Sept	MONTH Oct	MONTH Nov	MONTH	MONTH	MONTH	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$2,971.91	\$2,602.90	\$2,277.90	\$29,928.80	\$29,928.80	\$29,928.80	\$2,971.91
RECEIPTS:							
2. CASH SALES							0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE	18,746.97	125,190.15	0.00				143,937.12
4. LOANS & ADVANCES (attach list)							0.00
5. SALE OF ASSETS							0.00
6. OTHER (attach list)				27,650.90			27,650.90
TOTAL RECEIPTS**	21,718.83	0.00	27,650.90	0.00	0.00	0.00	171,588.02
(Withdrawal) Contribution by Individual Debtor MFR-2*							0.00
DISBURSEMENTS:							
7. NET PAYROLL							0.00
8. PAYROLL TAXES PAID							0.00
9. SALES, USE & OTHER TAXES PAID							0.00
10. SECURED/RENTAL/LEASES							0.00
11. UTILITIES & TELEPHONE							0.00
12. INSURANCE							0.00
13. INVENTORY PURCHASES	Interim Interest						0.00
14. VEHICLE EXPENSES							0.00
15. TRAVEL & ENTERTAINMENT							0.00
16. REPAIRS, MAINTENANCE & SUPPLIES							0.00
17. ADMINISTRATIVE & SELLING							0.00
18. OTHER (attach list)							0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. PROFESSIONAL FEES							0.00
20. U.S. TRUSTEE FEES		325.00	0.00				325.00
21. OTHER REORGANIZATION EXPENSES (attach list)							0.00
TOTAL DISBURSEMENTS**	21,718.88	325.00	0.00	0.00	0.00	0.00	325.00
22. NET CASH FLOW	0.00	2,277.90	27,650.90	0.00	0.00	0.00	171,263.02
23. CASH - END OF MONTH (MOR-2)	\$0.00	\$2,277.90	\$29,928.80	\$29,928.80	\$29,928.80	\$174,234.93	

\* Applies to individual debtors only  
\*\*Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

MOR-7

CASE NAME: Inland Environmental & Remediation, Inc.  
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### CASH ACCOUNT RECONCILIATION

MONTH OF November

BANK NAME	Capital One	Capital One	Capital One	Capital One
ACCOUNT NUMBER	#3820671596	#3820101757	#	#3820264249
ACCOUNT TYPE	<i>OPERATING</i>	<i>PAYROLL</i>	<i>TAX</i>	<i>OTHER FUNDS</i>
BANK BALANCE	0.00	0.00		0.00
DEPOSITS IN TRANSIT	0.00	0.00		0.00
OUTSTANDING CHECKS	0.00	0.00		0.00
ADJUSTED BANK BALANCE	\$0.00	0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS	0.00	0.00		0.00
RECEIPTS*	0.00	0.00		0.00
TRANSFERS BETWEEN ACCOUNTS (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	0.00	0.00		0.00
CHECKS/OTHER DISBURSEMENTS*	0.00	0.00		0.00
ENDING CASH - PER BOOKS	\$0.00	\$0.00	\$0.00	\$0.00

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

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**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** November

BANK NAME	Capital One	Capital One	#		
ACCOUNT NUMBER	#3023937483	#3023937491			
ACCOUNT TYPE	<i>OPERATING</i>		TAX	OTHER FUNDS	TOTAL
BANK BALANCE	2,602.90	0.00	0.00	0.00	\$2,602.90
DEPOSITS IN TRANSIT	0.00	0.00	0.00	0.00	\$0.00
OUTSTANDING CHECKS	325.00	0.00	0.00	0.00	\$325.00
ADJUSTED BANK BALANCE	\$2,277.90	0.00	\$0.00	\$0.00	\$2,277.90
BEGINNING CASH - PER BOOKS	0.00	0.00	0.00	0.00	\$0.00
RECEIPTS*	0.00	0.00	0.00	0.00	\$0.00
TRANSFERS BETWEEN ACCOUNTS (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	2,277.90	0.00	0.00	0.00	\$2,277.90
CHECKS OTHER DISBURSEMENTS*	0.00	0.00	0.00	0.00	\$0.00
ENDING CASH - PER BOOKS	\$2,277.90	\$0.00	\$0.00	\$0.00	\$2,277.90

MOR-8

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

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## PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.). (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	Sept	Oct	Nov	Dec	Jan	Feb
1. None	\$0.00	\$0.00	\$0.00			
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	Sept	Oct	Nov	Dec	Jan	Feb
1. None	\$0.00	\$0.00	\$0.00			
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-9